

## CHINESE INTELLIGENCE BULLETIN

17 August 1958

## DAILY BRIEF

## I. THE COMMUNIST BLOC

Special Watch Committee Report on Taiwan Strait Situation (AS OF 1300 EDT, 25 August 1958):

The Chinese Communists now possess an air capability to place for major attacks on Taiwan and the Peescadores.

The Chinese Communists have increased their capabilities to bring heavy pressure, including air and naval blockades and artillery bombardment, all of which have already started, on Chinmen (Quemoy) and Little Chinmen; however, they have not yet brought their ground forces and amphibious capability to the level believed necessary for a frontal assault unless preceded by prolonged heavy artillery and air bombardment. It is possible that a frontal assault could be made against Little Chinmen with existing ground forces while Chinmen is neutralized by air and artillery bombardment.

The Chinese Communists have the capability of seizing any of the smaller islands in the Chinmen group.

The Chinese Communists have the military capabilities to launch a successful amphibious operation against the Matsus, the White Dogs, or the Wuchus (see map facing page 3) with little or no warning, using local craft and ground forces already in position.

It is likely that the Chinese Communists will continue artillery barrages along with intensified air and naval interdiction of supply lines to the offshore islands. Air attacks on the

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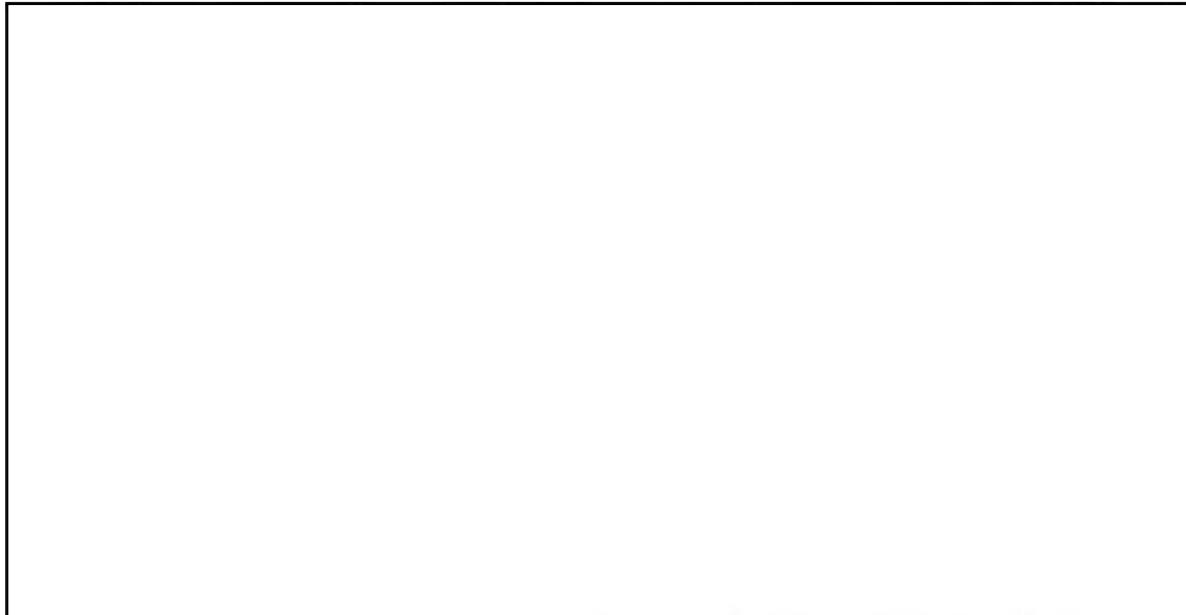
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offshore islands are probable but initially would be probing to determine Chinese Nationalist and US reactions. Chinese Communist seizure of one or more of the smaller offshore islands is expected. The Chinese Nationalist and US reactions to these moves will largely determine whether or not attempts will be made to seize the larger islands of Chinmen and Matsu. They probably do not intend to initiate major offensive military action against Taiwan and the Pescadores in the immediate future. [redacted]

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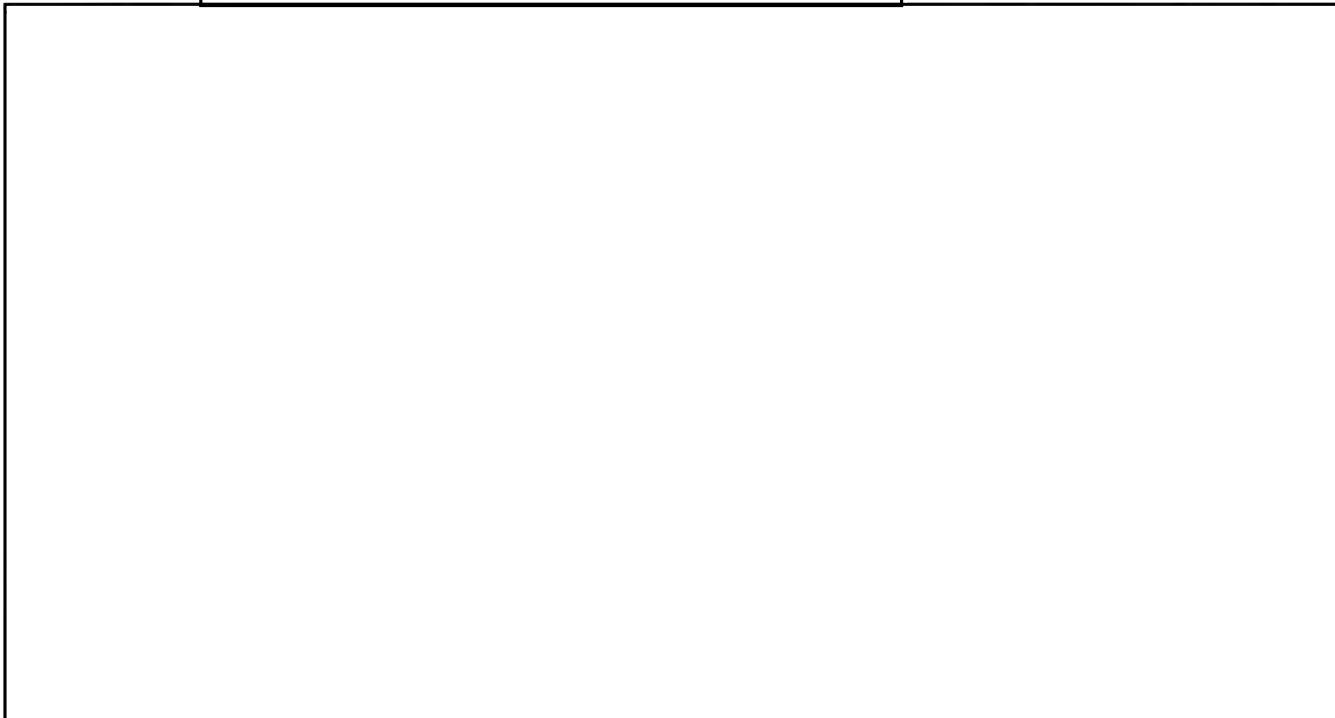


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—Communist China - Cambodia: In the joint communiqué issued at the end of Cambodian Premier Sihanouk's visit to Peking on 24 August, the Chinese Communists expressed readiness to extend economic assistance in addition to the 320,000,000 granted under the 1958 aid agreement, but made no reference to the 1959 aid.

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Cambodian Premier Sihanouk's Peiping visit ended on 24 August with statements indicating that the Chinese Communists have probably been successful in deepening Cambodia's commitment to pro-Communist neutrality. Sihanouk, following up Cambodian recognition of Peiping in July, announced that the two governments will establish diplomatic representation on the ambassadorial level. He remarked that Cambodia would not give neutrality "for all the riches in the world." *up*

Sihanouk had one talk with Mao Tse-tung that lasted six hours. His itinerary suggests that the Chinese Communist leaders concentrated on impressing him with Communist China's industrial achievements. In the joint communique issued at the end of the visit, Peiping stated its readiness to extend economic assistance, including gifts of small iron and steel works, in addition to the \$23,000,000 granted under the 1956 aid agreement.

No reference was made to military aid, and the Cambodian planning minister told a US official in Phnom Penh on August 22 that Cambodia would not seek a "military alliance" with Peiping or Chinese Communist military equipment. In the communique Chou En-lai merely expressed "regret" that Cambodia's territory was frequently "invaded and blockaded" by neighbors--an obvious reference to South Vietnam and Thailand

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# CENTRAL INTELLIGENCE BULLETIN

17 August 1958

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## DAILY BRIEF

## I. THE COMMUNIST BLOC

Special Watch Committee Report on Taiwan Strait Situation (as of 1500 EDT, 25 August 1958):

The Chinese Communists now possess an air capability in place for major attacks on Taiwan and the Pescadores.

The Chinese Communists have increased their capabilities to bring heavy pressure, including air and naval blockade and artillery bombardment, all of which have already started, on Chinmen (Quemoy) and Little Chinmen; however, they have not yet brought their ground forces and amphibious capability to the level believed necessary for a frontal assault unless preceded by prolonged heavy artillery and air bombardment. It is possible that a frontal assault could be made against Little Chinmen with existing ground forces while Chinmen is neutralized by air and artillery bombardment.

The Chinese Communists have the capability of seizing any of the smaller islands in the Chinmen group.

The Chinese Communists have the military capabilities to launch a successful amphibious operation against the Matsus, the White Dogs, or the Wuchus (see map facing page 3) with little or no warning, using local craft and ground forces already in position.

It is likely that the Chinese Communists will continue artillery barrages along with intensified air and naval interdiction of supply lines to the offshore islands. Air attacks on the

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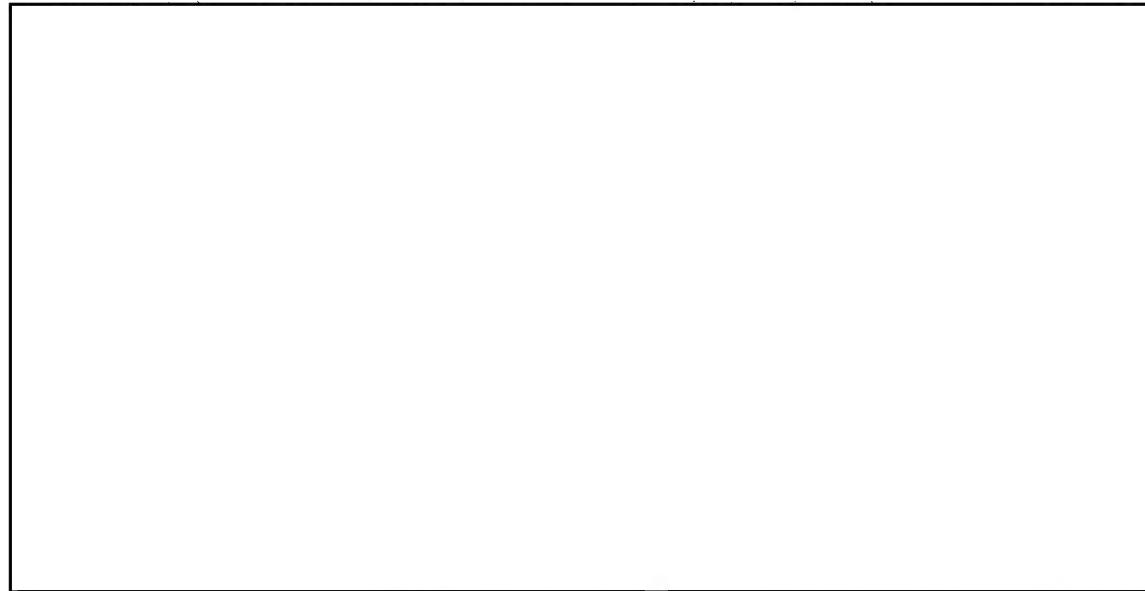
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offshore islands are probable but initially would be probing to determine Chinese Nationalist and US reactions. Chinese Communist seizure of one or more of the smaller offshore islands is expected. The Chinese Nationalist and US reactions to these moves will largely determine whether or not attempts will be made to seize the larger islands of Chinmen and Matsu. They probably do not intend to initiate major offensive military action against Taiwan and the Pescadores in the immediate future.

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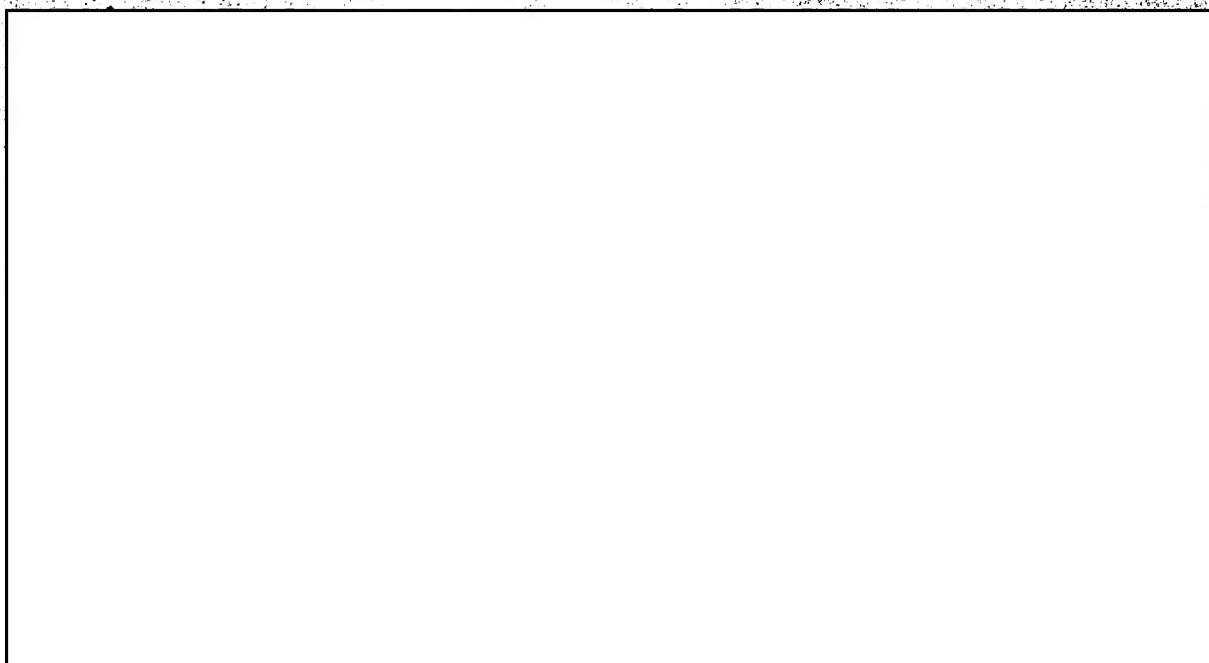


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—Communist China - Cambodia: In the joint communique issued at the end of Cambodian Premier Sihanouk's visit to Beijing on 24 August, the Chinese Communists expressed readiness to extend economic assistance in addition to the \$20,000,000 granted under the 1956 aid agreement, but made no reference to military aid.

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— II. ASIA-AFRICA



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Cambodian Premier Sihanouk's Peiping visit ended on 21/August with statements indicating that the Chinese Communists have probably been successful in deepening Cambodia's commitment to pro-Communist neutrality. Sihanouk, following up Cambodian recognition of Peiping in July, announced that the two governments will establish diplomatic representation on the ambassadorial level. He remarked that Cambodia would not give neutrality "for all the riches in the world."

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No reference was made to military aid, and the Cambodian planning minister told a US official in Phnom Penh on August 22 that Cambodia would not seek a "military alliance" with Peiping or Chinese Communist military equipment. In the communique Chou En-lai merely expressed "regret" that Cambodia's territory was frequently "invaded and blockaded" by neighbors--an obvious reference to South Vietnam and Thailand

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